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Private Fisheries Work Best

by Bart Frazier

Poor Viktor Tsimbal. He was recently arrested for the high crime of selling fish eggs and now faces a prison sentence up to 30 years and a fine up to \$1 million. If only it were legal to own sturgeon, Tsimbal would be considered an entrepreneur instead of a criminal.

The eggs that he smuggled into the United States from Russia were from the endangered beluga sturgeon, indigenous to the Caspian Sea. A delicacy, beluga caviar is highly prized for its mild, delicate flavor, and can fetch \$1,500 per pound and more. With some sturgeon weighing 1,500 pounds and producing several hundred pounds of roe, they can sometimes be worth the equivalent of a large home, so there is an extremely high incentive to catch them.

Unfortunately, sturgeon can be as old as 25 years before they are able to reproduce, and the intense fishing induced by high caviar prices has depleted their populations to dangerously low levels.

In response, an international treaty was reached in 1998 that banned the sale of beluga caviar. This is the worst action that could have been taken if the objective was to increase sturgeon populations. Just like any other resource, when it is illegal to own, it becomes more expensive to obtain. The higher price encourages more suppliers to enter the market, some of whom may not have been willing to do so legally at the previously lower price. And without ownership, none of the suppliers has an incentive to maintain the future value of the sturgeon population — a classic tragedy of the commons.

What is needed is complete privatization of the sturgeon fishery in the Caspian Sea. Donald Leal of the Political Economy Research Center (www.perc.org) has shown that there are innovative ways, such as private harvesting agreements and territorial rights, that are much more effective at protecting fish populations. When fishermen own their fisheries, they have an economic interest

in the longevity of their fish — smaller fish would be allowed to mature and proper habitat would be maintained. But best of all, people like Tsimbal would not face the wrath of the state for what is a peaceful activity.

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This article was originally published in the April 2003 edition of *Freedom Daily*.